



AXTERIA GROUP BERHAD

(FORMERLY KNOWN AS ACOUSTECH BERHAD)

Company No. 199901021765 (496665-W)

(Incorporated in Malaysia)

Interim Financial Report For the Period Ended 31 March 2022 (Quarter 1, 2022)

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**Interim Financial Report for the Period Ended 31 March 2022
(Quarter 1, 2022)**

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-------------------------|--|-------------------------|---|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
| | 31/03/2022 | 31/03/2021 | 31/03/2022 | 31/03/2021 |
| | RM'000 (Unaudited) | RM'000 (Audited) | RM'000 (Unaudited) | RM'000 (Audited) |
| Revenue | 7,292 | 1,452 | 7,292 | 1,452 |
| Operating expenses | (6,762) | (3,508) | (6,762) | (3,508) |
| Other operating income | 56 | 73 | 56 | 73 |
| Profit/(loss) from operations | 586 | (1,983) | 586 | (1,983) |
| Finance costs | (220) | (448) | (220) | (448) |
| Share of results in associate | 95 | 67 | 95 | 67 |
| Profit/(loss) before tax | 461 | (2,364) | 461 | (2,364) |
| Taxation | (390) | (71) | (390) | (71) |
| Profit/(loss) for the period / Total comprehensive profit/(loss) | 71 | (2,435) | 71 | (2,435) |
| Profit/(loss) for the period / Total comprehensive profit/(loss) attributable to : | | | | |
| - Equity holders of the parent | 71 | (2,435) | 71 | (2,435) |
| - Non-controlling interests | - | - | - | - |
| | 71 | (2,435) | 71 | (2,435) |
| Earnings/(loss) per share attributable to equity holders of the parent : | | | | |
| - Basic earnings/(loss) per share (sen) | 0.02 | (0.86) | 0.02 | (0.86) |
| - Diluted earnings/(loss) per share (sen) | 0.02 | (0.62) | 0.02 | (0.62) |

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Axteria Group Berhad ("AGB" or the "Company") for the financial year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

(The figures have not been audited)

| | (Unaudited) As at 31/03/2022 | (Audited) As at 31/12/2021 |
|---|------------------------------------|----------------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Property, plant and equipment | 18,223 | 16,844 |
| Right-of-use assets | 959 | 1,014 |
| Investment property | 16,105 | 11,645 |
| Goodwill | 19,469 | 19,469 |
| Investment in associate | 4,151 | 4,055 |
| Other receivables | 1,657 | 1,619 |
| Deferred tax assets | 95 | 95 |
| Other financial asset | 1,866 | 1,866 |
| Total non-current assets | 62,525 | 56,607 |
| Inventories | 85,439 | 81,197 |
| Trade and other receivables | 6,334 | 6,684 |
| Contract assets | 1,923 | 217 |
| Current tax assets | 1,569 | 1,623 |
| Fixed deposits with a licensed bank | 717 | 604 |
| Cash and bank balances | 578 | 4,633 |
| Total current assets | 96,560 | 94,958 |
| TOTAL ASSETS | 159,085 | 151,565 |
| EQUITY AND LIABILITIES | | |
| Share capital | 156,559 | 150,459 |
| Treasury shares | (92) | (92) |
| Accumulated losses | (32,989) | (33,060) |
| Equity holders of the parent | 123,478 | 117,307 |
| Non-controlling interest | - | - |
| Total equity | 123,478 | 117,307 |
| Borrowings | 7,212 | 5,933 |
| Lease liabilities | 768 | 721 |
| Deferred tax liabilities | 428 | 313 |
| Total non-current liabilities | 8,408 | 6,967 |
| Trade and other payables | 14,692 | 15,746 |
| Provisions | 380 | 380 |
| Contract liabilities | 5,633 | 1,715 |
| Lease liabilities | 124 | 227 |
| Borrowings | 6,370 | 9,223 |
| Total current liabilities | 27,199 | 27,291 |
| TOTAL LIABILITIES | 35,607 | 34,258 |
| TOTAL EQUITY AND LIABILITIES | 159,085 | 151,565 |
| NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS | 0.27 | 0.27 |

The above Consolidated Statement of Financial Position should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

| | Attributable to equity holders of the parent | | | | |
|--|--|---|----------------|---|----------------|
| | Non-distributable | | Distributable | | |
| | Share Capital | Redeemable Convertible Preference Shares ("RCPS") | Tresury Shares | Retained Earnings/ (Accumulated Losses) | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2021 (restated) | 105,503 | - | (92) | (31,330) | 74,081 |
| Loss for the financial period | - | - | - | (2,435) | (2,435) |
| Issuance of RCPS | - | 17,500 | - | - | 17,500 |
| Transaction with the owners | | | | | |
| Conversion of RCPS | 15,500 | (15,500) | - | - | - |
| Issuance of new shares | 8,456 | - | - | - | 8,456 |
| Balance as at 31 March 2021 | 129,459 | 2,000 | (92) | (33,765) | 97,602 |
| Balance as at 1 January 2022 | 150,459 | - | (92) | (33,060) | 117,307 |
| Profit for the financial period | - | - | - | 71 | 71 |
| Issuance of RCPS | - | 1,500 | - | - | 1,500 |
| Transaction with the owners | | | | | |
| Conversion of RCPS | 1,500 | (1,500) | - | - | - |
| Issuance of new shares | 4,600 | - | - | - | 4,600 |
| Balance as at 31 March 2022 | 156,559 | - | (92) | (32,989) | 123,478 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the audited consolidated financial statements of AGB for the financial year ended 31 December 2021 and the accompanying explanatory notes to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2022**

(The figures have not been audited)

| | (Unaudited) Period ended 31/03/2022 | (Audited) Year ended 31/12/2021 |
|---|---|---------------------------------------|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before tax | 462 | (1,312) |
| Net adjustments for non-cash items | 168 | (2,617) |
| Operating profit/(loss) before working capital changes | 630 | (3,929) |
| Changes in working capital | | |
| Net change in inventories | (4,242) | (1,434) |
| Net change in trade and other receivables | 349 | 555 |
| Net change in contract assets | (1,705) | (152) |
| Net change in trade and other payables | (1,053) | (8,732) |
| Net change in contract liabilities | 3,918 | 1,059 |
| Cash used in operations | (2,103) | (12,633) |
| Tax paid | (220) | (1,668) |
| Net cash flow for operating activities | (2,323) | (14,301) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Additional investment in associate | - | (2,778) |
| Advances to an associate | - | (1,501) |
| Purchase of keymen insurance | - | (2,210) |
| Purchase of right-of-use assets | - | (76) |
| Proceeds from disposal of right-of-use assets | - | 777 |
| Interest income received | - | 4 |
| Acquisition of investment properties | (4,460) | (3,385) |
| Purchase of property, plant and equipment | (1,407) | (13,130) |
| Placement of fixed deposit | (114) | (604) |
| Net cash flow for investing activities | (5,981) | (22,903) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Drawdown/(repayment) of loan | (1,642) | (2,218) |
| Interest paid | (153) | (976) |
| Payment of lease liabilities | (56) | (1,075) |
| Proceeds from issuance of: | | |
| - Ordinary shares | 4,600 | 8,456 |
| - RCPS | 1,500 | 36,500 |
| Net cash flow from financing activities | 4,249 | 40,687 |
| Net (decrease)/increase in cash and cash equivalents | (4,055) | 3,483 |
| Cash and cash equivalents at beginning of financial period/year | 4,633 | 1,150 |
| Cash and cash equivalents at end of financial period/year | 578 | 4,633 |

The above Condensed Consolidated Cash Flow Statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements and the audited financial statements for the financial year ended 31 December 2021.

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS FINANCIAL PERIOD ENDED 31 MARCH 2022

A1. Basis of Preparation

The condensed interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and issuers communication no. 1/2017 – Guidance on Disclosures in Notes to Quarterly Reported issued by Bursa Securities.

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to these condensed interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

A2. Summary of Significant Accounting Policies

The significant accounting policies and method of computation adopted in these condensed interim financial statements are consistent with those adopted and disclosed in the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021, except for the adoption of the following:-

Amendments effective for annual periods beginning on or after 1 April 2021

- Amendments to MFRS 16 – Covid-19 Related Rent Concessions beyond 30 June 2021

Amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 3 Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020

Adoption of the above amendments to MFRS did not have any material financial impact to the Group.

A2.1 Amendment to MFRSs and IC Interpretations (including the Consequential Amendments) which were issued but not yet effective

The Group and the Company have yet to apply the following amendments to the MFRSs as they will only be effective for annual periods beginning on or after 1 January 2023: -

| | <u>Effective Date</u> |
|---|------------------------------|
| • MFRS 17 – Insurance Contracts | 1 January 2023 |
| • Amendments to MFRS 17 – Insurance Contracts | 1 January 2023 |
| • Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information | 1 January 2023 |

- | | |
|--|----------------|
| • Amendment to MFRS 101 – Classification of Liabilities as Current or Non-current | 1 January 2023 |
| • Amendments to MFRS 101 – Disclosure of Accounting Policies | 1 January 2023 |
| • Amendments to MFRS 108 – Definition of Accounting Estimates | 1 January 2023 |
| • Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| • Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

The Group is currently assessing the impact of implementing these amendments and plans to adopt these standards on the respective effective dates.

A3. Audit Report of Preceding Year’s Annual Financial Statements

The preceding year annual audited financial statements were not subjected to any qualification.

A4. Seasonal or Cyclical Factors

The Group’s performance during the financial period under review was not materially affected by seasonal or cyclical factors.

A5. Extraordinary and Exceptional Items

There was no item which is extraordinary and exceptional because of its size or incidences that has affected the assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review.

A6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior financial years that have a material effect in the current financial quarter and year-to-date.

A7. Debt and Equity Securities

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review, except for the following:-

- (i) Issuance of 22,761,600 new ordinary shares pursuant to the Private Placement at exercise price of RM0.2021 per share; and
- (ii) Issuance of 6,818,182 new ordinary shares at RM0.22 per share arising from the conversion of 1,500,000 RCPS which were issued at RM0.10 per RCPS during the current quarter.

As at 31 March 2022, the total number of outstanding warrants was 97,211,694 units.

A8. Dividend Paid

No dividend has been declared or paid by the Group during the current quarter.

A9. Segmental Information

The Group's segmental information are as follows: -

| | Property development & construction | Investment holding | Total |
|-------------------------------------|--|-------------------------------|-------------------------------|
| | (Unaudited) RM'000 | (Unaudited) RM'000 | (Unaudited) RM'000 |
| 3-months ended 31 March 2022 | | | |
| Revenue | | | |
| External revenue | 7,292 | - | 7,292 |
| Result | | | |
| Operating loss | 1,129 | (600) | 529 |
| Finance costs | (219) | (1) | (220) |
| Interest income | - | 38 | 38 |
| Other income | 18 | - | 18 |
| Share of results in an associate | - | 96 | 96 |
| Profit/(loss) before tax | 928 | (467) | 461 |
| Tax expense | (390) | - | (390) |
| Profit/(loss) for the year | 538 | (467) | 71 |

| | Property development & construction | Investment holding | Total |
|-------------------------------------|--|-------------------------------|-------------------------------|
| | (Unaudited) RM'000 | (Unaudited) RM'000 | (Unaudited) RM'000 |
| 3-months ended 31 March 2021 | | | |
| Revenue | | | |
| External revenue | 1,452 | - | 1,452 |
| Result | | | |
| Operating loss | (575) | (1,481) | (2,056) |
| Finance costs | (444) | (4) | (448) |
| Interest income | - | 28 | 28 |
| Other income | 45 | - | 45 |
| Share of results in an associate | - | 67 | 67 |
| Loss before tax | (974) | (1,390) | (2,364) |
| Tax income | - | (71) | (71) |
| Loss for the year | (974) | (1,461) | (2,435) |

A10. Valuation of Property, Plant and Equipment

The property, plant and equipment are stated at cost less depreciation and impairment loss, if any.

A11. Significant Events During the Reporting Period

The significant events for the current quarter under review are summarised as follows:-

- (i) On 10 January 2022, the Company proposed to undertake a private placement of up to 43,051,003 new ordinary shares in AGB ("Proposed Private Placement"), representing 10% of the total number of issued shares of the Company (excluding treasury shares) to third party investors. Bursa Securities has, vide its letter dated 24 January 2022, granted their approval for the listing and quotation of new ordinary shares to be issued pursuant to the Proposed Private Placement, subject to conditions set out by Bursa Securities.

On 9 February 2022, the Company announced that the first tranche of 22,761,600 shares in AGB pursuant to the Proposed Private Placement had been listed on the Main Market, with gross proceeds of RM4,600,119.36 raised.

On 31 March 2022, the Company announced that the issue price for the final tranche of up to 20,289,403 Placement Share has been fixed at RM0.1932 per Placement Share.

- (ii) Following the Letter of Intent ("LOI") signed with Far East Hospitality Management (S) Pte. Ltd. ("FEH") on 15 October 2021, Axteria Assets Sdn Bhd, Axteria Eco Sdn Bhd and Axteria Capital Sdn Bhd, being the wholly owned subsidiaries of the Company, have entered into five (5) agreements (as defined herein as the "Definitive Agreements") with FEH in relation to the management of the hotel and serviced suite located in Kota Laksamana, Melaka, Malaysia. Axteria Capital Sdn. Bhd, which was incorporated on 16 December 2021, will be the master lessee of the guest rooms within the serviced suites via project currently undertaken and to be sold by Axteria Eco Sdn. Bhd.

Upon the execution of the Definitive Agreements, the LOI shall cease with immediate effect.

A12. Material Events After the End of the Interim Financial Period

The Company announced that Proposed Private Placement had been completed on 12 April 2022 following the listing of final tranche of 20,289,403 Placement Shares. The placement proceed raised from the entire exercise was RM8,520,032.02.

Save for the above, there were no other significant event after the end of the quarter up to the date of this announcement.

A13. Changes in the Composition of the Group

The Company incorporated the following wholly owned subsidiaries during the current quarter:-

| Name of subsidiaries | Date of incorporation | Issued and paid-up share capital | Principal activities |
|--------------------------------------|-----------------------|----------------------------------|-----------------------------------|
| General Trust Holdings Limited | 19 January 2022 | USD100.00 | Offshore banking services |
| Axteria Lenders Sdn. Bhd. | 20 January 2022 | RM2.00 | Licensed money lending activities |
| Axteria Building Materials Sdn. Bhd. | 17 February 2022 | RM2.00 | Trading of building materials |

A14. Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

Limit:

Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured
 Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured

Utilised:

Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured
 Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured

| | Company | |
|--|-------------------------------------|-----------------------------------|
| | As at 31/03/2022 (Unaudited) RM'000 | As at 31/12/2021 (Audited) RM'000 |
| Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured | 41,914 | 41,914 |
| Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured | 9,709 | 9,709 |
| Corporate guarantees given to financial institutions for credit facilities granted to a subsidiary – unsecured | 13,633 | 15,157 |
| Corporate guarantees given to financial institutions for credit facilities granted to an associate – unsecured | 9,004 | 9,225 |

(b) Contingent assets

There was no contingent asset as at the end of current financial quarter.

A15. Capital Commitments

There were no outstanding capital commitments for the Group as at the end of the current quarter.

A16. Related Party Transactions

The Group had the following transactions with the related parties for the 3-month period ended 31 March 2022:-

| | RM'000 |
|-------------------------------------|---------------|
| (i) Transactions with an associate | |
| - Interest received and receivables | 38 |

[The remainder of this page is intentionally left blank.]

B. EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENT BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--------------------------|--|--|--|--|
| | Current Year 3 months ended | Preceding Year 3 months ended | Current Year 3 months ended | Preceding Year 3 months ended |
| | 31/03/2022 (Unaudited) RM'000 | 31/03/2021 (Audited) RM'000 | 31/03/2022 (Unaudited) RM'000 | 31/12/2021 (Audited) RM'000 |
| Revenue | 7,292 | 1,452 | 7,292 | 1,452 |
| Profit/(loss) before tax | 461 | (2,364) | 461 | (2,364) |

For the quarter ended 31 March 2022, the Group recorded total revenue of RM7.29 million, representing growth of 402.20% as compared to RM1.45 million in the corresponding quarter last year. The significant rise in revenue was mainly driven by the development progress of both Project Desa 88 and Project Sentrío following the resumption construction activities in 3Q 2021 based on the Malaysia Government's National Recovery Plan.

The Group recorded a profit before tax of RM0.46 million for 1Q 2022 as compared to a loss before tax of RM2.36 million in 1Q 2022.

With the reopening of economic sections and resumption of business activities, the Group is expecting to continue its revenue trend as the Group is optimistic of continued growth in the coming quarters.

B2. Comparison with Preceding Quarter's Results

| | Current Quarter ended | Preceding Quarter ended |
|-------------------|--|--|
| | 31/03/2022 (Unaudited) RM'000 | 31/12/2021 (Audited) RM'000 |
| Revenue | 7,292 | 5,765 |
| Profit before tax | 461 | 2,351 |

The Group recorded an increased revenue of about RM7.29 million for the current quarter as compared to RM5.77 million in the preceding quarter mainly due to recognition of revenue generated from Project Desa 88 and Project Sentrío.

The Group's profit before tax for the current quarter was however lower than the preceding period despite the revenue growth mainly due to recognition of the additional income from non-fulfilment of profit guarantee by vendor of about RM4.17 million in the preceding period.

B3. Prospects for the Current Financial Year

The Group believes that although we are progressing into the Endemic phase of COVID-19, with a firmer recovery in Malaysia's Gross Domestic Product (GDP) supported by continued expansion in external demand, the reopening of international borders coupled with high vaccination rates and improvement in employment and income prospects, the Group will remain cautious in the assessment of potential projects and expansion of its land bank.

For year 2022, the Group will focus on the development of 66 units of shop offices on a land measuring 5.94 acres in Pasir Gudang, a Development project with Sun Rock Development Sdn Bhd, with Gross Development Value ("GDV") of RM44.1 million, namely Project Sentrio. The earthwork and piling are completed at the end 2021 and structural work commenced in January 2022. Excluding the 17 entitlement units allocated to land owner, the Group has a total of 49 units to sell, of which 6 units were sold in 2021. The Group expects to register sales of 24 units in 2022, with balance reserved as Bumiputra units.

The Phase 1 of Project Desa 88 is already in its final stage of development and preparation of vacant possession. The Phase 2 is making great progress with completion stage at 84.12% at the end of current period and also expected to complete ahead of schedule by 3Q 2022 and vacant possession by end of 2022. Both phases continue to show encouraging prospects with all international units are fully sold and booked while the Bumiputra units are showing satisfactory prospects with promising purchasers' response.

For the remaining phases at Desa 88 – Phase 3 with 4 units of detached factories, Phase 5 dormitory and Phase 6 which is multi-purpose retail spaces are targeted to be launched in 2022 and beyond. These remaining phases have a combined GDV of RM74.8 million.

In the meantime, development of the 16-storey 241-room hotel in Kota Syahbandar, Melaka, is proceeding at full speed with construction completion stage at 72.5% at 1Q 2022 with hotel operation to commence by 1Q 2023. In addition, the development of the 44-storey 306 serviced suites also in Kota Syahbandar, Melaka is also proceeding progressively with construction completion stage at 35.4% at 1Q 2022. With the expected launching of the serviced suites in 3Q 2022, the Group is hopeful that the sales will be encouraging in view that tourism industry would begin to recover by then on the basis that vaccination nationwide has been substantially completed and with the reopening of the international borders on 1 April 2022. Furthermore, the Group has also in February 2022 tied up with FEH to manage both the 241-room hotel and the 306 serviced suites. FEH is an international premier hospitality owner and operator established in Singapore with a diverse portfolio of 10 unique and complementary brands of hotels, serviced residences and apartment hotels. FEH operates a combined portfolio of over 16,500 rooms across 105 hotels and services residences in 9 countries – Australia, Austria, Denmark, Germany, Hungary, Japan, Malaysia, New Zealand and Singapore, with more in its development pipeline.

B4. Profit Forecast or Profit Guarantee

The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review and the financial year-to-date.

B5. Status of Corporate Proposals

Other than as disclosed in Note A12, there was no corporate proposal announced but not completed as of the date of this report.

B6. Profit before Taxation

The profit before taxation is arrived at after charging the following items: -

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Current Year 3 months ended | Preceding Year 3 months ended | Current Year 3 months ended | Preceding Year 3 months ended |
| | 31/03/2022 (Unaudited) RM'000 | 31/03/2021 (Audited) RM'000 | 31/03/2022 (Unaudited) RM'000 | 31/03/2021 (Audited) RM'000 |
| Interest income | (38) | (28) | (38) | (28) |
| Other income including investment income | (18) | - | (18) | - |
| Interest expenses | 220 | 297 | 220 | 297 |
| Depreciation and amortisation | 82 | 134 | 82 | 134 |
| Provision for write off of receivables | - | - | - | - |
| Provision for write off of inventories | - | - | - | - |
| Gain or loss on disposal of quoted or unquoted investments or properties | - | - | - | - |
| Impairment of assets | - | - | - | - |
| Foreign exchange loss/(gain) | - | - | - | - |
| Gain or loss on derivatives | - | - | - | - |
| Exceptional items | - | - | - | - |

B7. Taxation

Taxation comprises the following: -

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | Current Year 3 months ended | Preceding Year 3 months ended | Current Year 3 months ended | Preceding Year 3 months ended |
| | 31/03/2022 (Unaudited) RM'000 | 31/03/2021 (Audited) RM'000 | 31/03/2022 (Unaudited) RM'000 | 31/03/2021 (Audited) RM'000 |
| Current tax expense | 275 | - | 275 | - |
| Deferred taxation | 115 | 71 | 115 | 71 |
| | 390 | 71 | 390 | 71 |
| Effective tax rate | 84.60% | (3.00%) | 84.60% | (3.00%) |

The taxation arose mainly from certain profitable entities within the Group. The Group's effective tax rate was higher than the statutory rate mainly due to the profit generated from the profitable entities has been offset by losses from other entities within the Group at consolidated level.

B8. Group Loans and Borrowings

The Group's loans and borrowings as at 31 March 2022 are as follows: -

| As at 31 March 2022 | | | |
|---------------------------------|--|---|--|
| | Long Term Borrowings (Unaudited) RM'000 | Short Term Borrowings (Unaudited) RM'000 | Total Borrowings (Unaudited) RM'000 |
| Secured | | | |
| Term loans and bridging finance | 7,212 | 6,370 | 13,582 |
| Lease liabilities | 768 | 124 | 892 |
| | 7,980 | 6,494 | 14,474 |
| As at 31 March 2021 | | | |
| | Long Term Borrowings (Audited) RM'000 | Short Term Borrowings (Audited) RM'000 | Total Borrowings (Audited) RM'000 |
| Secured | | | |
| Term loans and bridging finance | 14,676 | 2,163 | 16,838 |
| Lease liabilities | 1,077 | 880 | 1,958 |
| | 15,753 | 3,043 | 18,796 |

B9. Financial Instruments

Forward foreign exchange contracts are entered into by the Group in currencies other than the functional currency to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

Forward foreign exchange contracts are recognised on the contract dates and are measured at fair values at the end of the financial period under review with changes in fair values being recognised as profit or loss.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

As at 31 March 2022, the Group does not have any financial instrument.

B10. Material Litigation

There was no material litigation during the current financial period under review.

B11. Proposed Dividend

There was no dividend declared for the current financial period under review.

B12. Earnings/(loss) per ordinary share ("EPS" or "LPS")

Basic EPS/(LPS)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|-----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
| | Current Year 3 months ended | Preceding Year 3 months ended | Current Year 3 months ended | Preceding Year 3 months ended |
| | 31/03/2022 (Unaudited) | 31/03/2021 (Restated) | 31/03/2022 (Unaudited) | 31/03/2021 (Restated) |
| Profit/(loss) attributable to equity holders of the parent (RM'000) | 71 | (2,435) | 71 | (2,435) |
| Weighted average number of shares in issue ('000) | 377,356 | 284,651 | 377,356 | 284,651 |
| Basic EPS/(LPS) (sen) | 0.02 | (0.86) | 0.02 | (0.86) |

Diluted EPS/(LPS)

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--|-----------------------------------|-------------------------------------|------------------------------------|--------------------------------------|
| | Current Year 3 months ended | Preceding Year 3 months ended | Current Year 12 months ended | Preceding Year 12 months ended |
| | 31/12/2021 (Unaudited) | 31/12/2020 (Restated) | 31/12/2021 (Unaudited) | 31/12/2020 (Restated) |
| Profit/(loss) attributable to equity holders of the parent (RM'000) | 71 | (2,435) | 71 | (2,435) |
| Weighted average number of shares in issue ('000) | 377,356 | 284,651 | 377,356 | 284,651 |
| Cumulative Redeemable Convertible Preference Shares | - | - | - | - |
| Shares deemed issued for no consideration ('000) – Warrants | - | - | - | - |
| Weighted average number of shares for diluted EPS ('000) | 71 | (2,435) | 71 | (2,435) |
| Diluted EPS/(LPS) (sen) | 0.02 | (0.62) | (0.02) | (0.62) |

BY ORDER OF THE BOARD OF
 AXTERIA GROUP BERHAD

Date: 27 May 2022